the Credit Guarantee Fund Trust for Small Industries (CGTSI) to operationalise the Mutual Credit Guarantee Scheme (MCGS). The scheme aims to provide collateral free loans under which CGTSI gives counter guarantee to Mutual Credit Guarantee Funds set up by Industry Associations in respect of credit availed by their member small scale industrial units from the dedicated banks. The CGTSI has already started consultations with industry associations seeking their interest in setting up the MCGS.

Reservation policy for SSIs

3081. SHRI R.R GOENKA: Will the Minister of SMALL SCALE INDUSTRIES be pleased to state:

(a) whether it is not contradictory to carry on with the reservation policy for the SSIs after removal of restrictions on import of a majority of items;

(b) whether such reservation is coming in the way of exports of some of the commodities; and

(c) if so, whether Government are going to review the reservation policy?

THE MINISTER OF STATE IN THE MINISTRY OF SMALL SCALE INDUSTRIES (SHRI TAPAN SIKDAR): (a) While the removal of Quantative Restrictions (QRs) on imports has implied greater integration of the Indian economy with the world, it is necessary that in the transition period employment, balanced regional growth and utilization of local resources by local entrepreneurs is promoted through support to SSIs. This is sought to be achieved through the policies and programmes for the Sector. In addition, the policy on reservation for exclusive manufacture in the SSI Sector also permits manufacture of reserved items by non-SSI units in the country with an export obligation of 50%.

(b) SSI Sector continues to contribute about 35% of national exports. A large number of measures have been put in place by Government to support the SSI units in this endeavor. Based on consultations with stakeholders, Government has also been enhancing the investment ceiling to Rs. 5.00 Crores in respect of items with high export orientation/potential.